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OFFICE OF  
ENFORCEMENT

October 8, 2004

Marlene S. Ma  
Counsel  
Kaiser Foundation Health Plan, Inc.  
One Kaiser Plaza  
Oakland, CA 94612

**RE: Complaint Number 141752  
Enforcement Matter Number 04-162**

**LETTER OF AGREEMENT**

The Office of Enforcement of the Department of Managed Health Care (hereinafter "the Department") has concluded its investigation of Kaiser Foundation Health Plan, Inc. (hereinafter "Kaiser" or the "Plan") in the above referenced matter. The focus of the investigation was the Plan's failure to comply with Health and Safety Code section 1368.01(a) and its companion regulation Title 28 California Code of Regulations section 1300.68(d)(3). These sections require a Plan to resolve enrollees' grievances within 30 days.

This matter involved the Plan's failure to resolve the enrollee's grievance within the statutory and regulatory time frame of 30 days. As reported by Kaiser to the Department by way of the Help Center's Request for Health Plan Information (RHPI) form, the Plan reported that they received the enrollee's grievance on August 6, 2003. The Plan resolved the grievance on September 8, 2003, three days beyond the statutory and regulatory time frame. Both the statute and the regulation clearly state that a Plan must resolve grievances within 30 days.

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Accordingly, Kaiser has violated both section 1368.01(a) and section 1300.68(d)(3), for failure to resolve a grievance in a timely fashion. Since Kaiser has previously violated these sections on nine separate occasions, the Department has determined that a penalty of \$5,000.00 is warranted.

Kaiser has agreed to pay the penalty.

Sincerely,

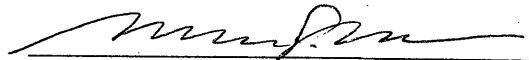


Debra L. Denton  
Assistant Chief Counsel  
Office of Enforcement

JGT/kts

Accepted by Kaiser Foundation Health Plan, Inc.

DATE: 10.19.2004



Marlene S. Ma  
Counsel  
Kaiser Foundation Health Plan, Inc.